

**Daytime Local Collect Call - Rates (Highest to Lowest) Dec. 1996**

		10 minute timed call	
State	RBOC	10 min.	
1 Illinois	Ameritech		*\$3.79
2 New Hampshire	NYNEX		\$3.47
3 Wisconsin	Ameritech		*\$3.35
4 Vermont	NYNEX		\$3.17
5 Louisiana	S Bell		\$3.13
6 Rhode Island	NYNEX		\$2.76
7 Maine	NYNEX		\$2.74
8 California	Pac Bell		*\$2.68
9 Wyoming	US West		\$2.45
10 Michigan	Ameritech		\$2.40
11 North Dakota	US West		\$2.38
12 South Dakota	US West		\$2.35
13 Indiana	Ameritech		\$2.35
14 Nebraska	US West		\$2.30
15 Kansas	SW Bell		\$2.25
16 Texas	SW Bell		\$2.10
17 Connecticut	NYNEX		\$2.00
18 Kentucky	S Bell		\$2.00
19 Colorado	US West		\$1.95
20 Oklahoma	SW Bell		\$1.90
21 Massachusetts	NYNEX		\$1.86
22 Maryland	B Atlantic		\$1.80
23 Utah	US West		\$1.75
24 Alabama	S Bell		*\$1.75
25 New York	NYNEX		\$1.70
26 New Jersey	B Atlantic		\$1.65
27 Montana	US West		\$1.60
28 New Mexico	US West		\$1.55
29 Minnesota	US West		\$1.55
30 Idaho, So.	US West		\$1.55
31 Oregon	US West		\$1.55
32 Arizona	US West		\$1.55
33 Iowa	US West		\$1.55
34 Idaho, No.	US West		\$1.55
35 Pennsylvania	B Atlantic		\$1.55
36 Delaware	B Atlantic		\$1.50
37 Ohio	Ameritech		\$1.35
38 Florida	S Bell		\$1.25
39 Missouri	SW Bell		\$1.25
40 Nevada	Pac Bell		\$1.25
41 Mississippi	S Bell		\$1.25
42 Virginia	B Atlantic		\$1.00
43 Arkansas	SW Bell		\$1.00
44 Georgia	S Bell		\$0.95
45 North Carolina	S Bell		\$0.94
46 Washington	US West		\$0.90
47 West Virginia	B Atlantic		*\$0.85
48 South Carolina	S Bell		\$0.80
49 Tennessee	S Bell		\$0.75

\* Inmate rate reflected here

Produced by TECHNOLOGIES MANAGEMENT, INC., a telecommunications consulting  
 firm specializing in regulatory compliance issues, tariff research and tariff sales  
 210 North Park Avenue • Winter Park, Florida • (407) 740-8575

**INTRALATA COLLECT CALL - OPERATOR SURCHARGE**

(Highest to Lowest)

May 1996

	State	RBOC	Rate
1	Illinois	Ameritech	\$2.50 *
2	Michigan	Ameritech	\$2.31
3	Idaho, So.	US West	\$2.10 *
4	Indiana	Ameritech	\$2.10
5	North Dakota	US West	\$2.10
6	South Dakota	US West	\$2.10 *
7	Wisconsin	Ameritech	\$2.10
8	Nebraska	US West	\$1.95
9	Missouri	SW Bell	\$1.85
10	Louisiana	S Bell	\$1.83
11	Connecticut	NYNEX	\$1.75
12	Colorado	US West	\$1.70 *
13	Vermont	NYNEX	\$1.65
14	New York	NYNEX	\$1.58
15	Maryland	B Atlantic	\$1.55
16	Virginia	B Atlantic	\$1.55
17	Alabama	S Bell	\$1.50
18	Kansas	SW Bell	\$1.50
19	Kentucky	S Bell	\$1.50
20	Utah	US West	\$1.50
21	Mississippi	S Bell	\$1.40
22	Montana	US West	\$1.35
23	Rhode Island	NYNEX	\$1.35
24	Arizona	US West	\$1.30
25	Idaho, No.	US West	\$1.30
26	Iowa	US West	\$1.30
27	Maine	NYNEX	\$1.30
28	Minnesota	US West	\$1.30
29	New Mexico	US West	\$1.30
30	Oregon	US West	\$1.30
31	Pennsylvania	B Atlantic	\$1.30 *
32	Wyoming	US West	\$1.30
33	Delaware	B Atlantic	\$1.25
34	New Jersey	B Atlantic	\$1.25
35	North Carolina	S Bell	\$1.25
36	South Carolina	S Bell	\$1.25
37	Washington	US West	\$1.25
38	Georgia	S Bell	\$1.20 *
39	Oklahoma	SW Bell	\$1.20
40	Texas	SW Bell	\$1.15
41	Ohio	Ameritech	\$1.10
42	New Hampshire	NYNEX	\$1.05
43	Florida	S Bell	\$1.00
44	Nevada	Pac Bell	\$1.00
45	California	Pac Bell	\$0.95
46	Arkansas	SW Bell	\$0.90
47	Massachusetts	NYNEX	\$0.85
48	West Virginia	B Atlantic	\$0.60 *
49	Tennessee	S Bell	\$0.50

\* Prison Collect Surcharge

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**INTRALATA COLLECT CALL - RATES**

30 miles, 10 minute Daytime Call

(Highest to Lowest)

May 1996

State	RBOC	Rates
1 West Virginia	B Atlantic	\$4.01 *
2 Idaho, So.	US West	\$4.47
3 North Dakota	US West	\$4.45
4 Nebraska	US West	\$4.39
5 Vermont	NYNEX	\$4.37
6 Michigan 1	Ameritech	\$4.35
7 Louisiana	S Bell	\$4.33
8 South Dakota	US West	\$4.33
9 Wisconsin	Ameritech	\$4.15
10 Maine	NYNEX	\$4.13
11 Illinois	Ameritech	\$4.03 *
12 Mississippi	S Bell	\$3.99
13 Kansas	SW Bell	\$3.91
14 Indiana	Ameritech	\$3.81
15 Idaho, No.	US West	\$3.79
16 Connecticut	NYNEX	\$3.75
17 South Carolina	S Bell	\$3.75
18 Virginia	B Atlantic	\$3.68
19 Colorado	US West	\$3.88
20 Missouri	SW Bell	\$3.65
21 Wyoming	US West	\$3.60
22 Texas	SW Bell	\$3.56
23 Arizona	US West	\$3.54
24 Kentucky	S Bell	\$3.50
25 New Hampshire	NYNEX	\$3.47
26 Ohio	Ameritech	\$3.42
27 New Mexico	US West	\$3.38
28 Alabama	S Bell	\$3.33
29 Maryland	B Atlantic	\$3.33
30 Rhode Island	NYNEX	\$3.29
31 Oklahoma	SW Bell	\$3.27
32 Washington	US West	\$3.24
33 North Carolina	S Bell	\$3.23
34 Iowa	US West	\$3.22
35 Florida	S Bell	\$3.10
36 Oregon	US West	\$3.04
37 Arkansas	SW Bell	\$2.93
38 New York	NYNEX	\$2.91
39 Georgia	S Bell	\$2.88
40 Nevada	Pac Bell	\$2.85
41 Montana	US West	\$2.84
42 Minnesota	US West	\$2.81
43 Pennsylvania	B Atlantic	\$2.78 *
44 California	Pac Bell	\$2.41
45 Utah	US West	\$2.38
46 New Jersey	B Atlantic	\$2.34
47 Delaware	B Atlantic	\$2.28
48 Massachusetts	NYNEX	\$2.20
49 Tennessee	S Bell	\$2.00 *

\* Includes Prison Collect Surcharge

1 - IntraLATA and Local Surcharges not tariffed - service charged used were in effect 3/94

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## **ATTACHMENT 2**

**EXCERPT FROM ICSPC'S COMMENTS IN CC DOCKET NO. 96-128**

1.6/5/96

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554

\_\_\_\_\_  
In the Matter of

Implementation of the Pay  
Telephone Reclassification and  
Compensation Provisions of the  
Telecommunications Act of 1996  
\_\_\_\_\_

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) CC Docket No. 96-128  
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COMMENTS OF INMATE CALLING SERVICES PROVIDERS COALITION

RECEIVED  
JUL - 1 1996  
Federal Communications Commission  
Office of Secretary

Albert H. Kramer  
Robert F. Aldrich  
Jacob S. Farber

DICKSTEIN SHAPIRO MORIN &  
OSHINSKY L.L.P.

2101 L Street, N.W.  
Washington, D.C. 20037-1526  
(202) 785-9700

July 1, 1996

Attorneys for Inmate Calling Services  
Providers Coalition

FEDERAL COMMUNICATIONS COMMISSION

Comments of Inmate Calling Services  
Providers Coalition

CC Docket No. 96-12  
Filed July 1, 1996

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Prescribing "fair compensation" for 0+ calls in the inmate environment even if the Commission does not do so with respect to 0+ calls in the general payphone environment is consistent with Section 276. Section 276 evidences Congress' intent that the Commission can address inmate calling services in a different manner than pay telephones. Section 276 defines "payphone service" as "the provision of public or semi-public pay telephones, the provision of inmate telephone service in correctional institutions, and any ancillary services."<sup>12</sup> By including "inmate telephone service" in the definition separately from general pay telephones, Congress made clear that they are not the same. Moreover, the definition contrasts the provision of general pay telephones with the provision of inmate telephone services. The focus on "services" in the instance of inmate calling underscores that ICSPs, unlike payphone providers, provide their own operator services and other services as an integrated package in addition to providing the equipment and a gateway into the public network. Thus, while the regulatory regime of Section 276 applies to both payphone and inmate calling services, there is a recognition that the two represent different packages of services that must be fairly compensated and that the Commission need not take the same approach in both cases.<sup>13</sup>

**B. The Commission Must Address the Unique Costs Associated  
with the Inmate Environment**

Three factors in particular contribute to the unique costs of the ICSP's integrated package of services and equipment. First, the specialized inmate calling

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<sup>12</sup> 47 U.S.C. § 276(d).  
<sup>13</sup> Id.

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Providers Coalition

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systems developed by ICSPs to meet the call control needs of confinement facilities require significant capital investment. Second, the level of bad debt associated with calls from confinement facilities is much higher than from public payphones. Third, labor expenses are high because ICSPs must maintain a customer services staff equipped to address the needs of the inmates, the inmates' families, and the confinement facilities. Each of these factors are discussed separately below.

**1. Inmate Calling Systems**

Inmate calling systems are designed to provide confinement facilities with an extensive series of control mechanisms over inmate calling. Those call controls serve to prevent or deter such abuses as the harassment of witnesses and jurors, and the use of inmate calling systems to engage in criminal activity. They also play a significant role in reducing the level of fraudulent inmate calling. At the same time, the call controls function to ensure that the inmates are provided with fair and reasonable access to phones.

The most basic of those call control functions is the blocking of all non-0+ collect calls. Inmate calling systems must block all direct-dialed calls, access code calls, and calls to numbers such as 700/800/900, 950, 976, 411, and repair service. Blocking calls to these numbers reduces fraudulent calling by limiting access to the public telephone network. Inmates thus have less opportunity to manipulate either a live operator or the network in order to defeat calling restrictions.

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Another basic requirement for inmate calling systems is the ability to limit call duration and/or to limit calling to a particular time of day, which often varies from inmate to inmate. This serves to provide confinement facilities with control over inmate phone usage while allowing more inmates greater access to the phones available to them. Additionally, restrictions may be placed on the number of calls an inmate is permitted to make over a given period.

The ability to restrict inmate calling by called number is another specialized requirement of inmate calling systems. Confinement facilities often require that ICSPs block an inmate's ability to make calls to certain designated numbers, such as to judges or witnesses. Additionally, confinement facilities may require the ability to restrict inmate calling only to certain pre-designated numbers, such as family members or the inmate's attorney. These requirements prevent or reduce harassment, fraudulent calling, and the use of the inmate calling system to engage in other criminal activity.

At the request of the confinement facility, many ICSPs have put into place additional called number screening mechanisms that permit free calling to certain predesignated numbers. These numbers typically include the public defenders' office, bail bondsmen, and commissary services.<sup>14</sup>

Some confinement facilities also request that ICSPs block calls attempted by particular inmates or calls attempted from certain inmate phones. This requirement

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<sup>14</sup> In addition to the costs involved in maintaining the hardware and software to provide this service, the ICSP also bears the costs of transmission, which can amount to \$.25 or more for a 10-minute call.



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assists in maintaining security. During a disturbance, for example, the ability to place calls can be restricted or disallowed completely. Confinement facilities also request that the ICSP be able to shut down the inmate calling system when inmates are being transferred in or out of the facility in order to reduce the security risk.

These call screening controls can require that the inmate calling system check four or more separate databases before a call is placed. The typical inmate call begins with the inmate lifting the receiver in his cell block. Responding to a series of prompts, he enters his personal identification number ("PIN") and the number he wishes to dial.<sup>15</sup> The PIN is then checked against an internal database for verification and to determine if the inmate has been pre-approved to place calls to certain numbers. If there are no pre-approved numbers associated with a given PIN, it is checked against a "negative database" of numbers that the inmate is prohibited from calling (e.g. witnesses or jurors). Next the called number is checked to ensure that it does not fall into any of the categories of blocked numbers (e.g. 800, 950, etc.) and to verify that it is not an international number. Assuming that the called number is not blocked, it is then sent to yet another internal database to check for the frequency of the calling inmate's phone calls to the same number. This so-called "velocity check" is designed to detect calls to "hot houses" established by an accomplice to allow the inmate caller to make three-way calls or to otherwise defeat the calling restrictions and gain open access to the public network. In addition, the called number may be checked against other inmates' calling

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<sup>15</sup> Not all confinement facilities use a PIN system. Increasingly, many confinement facilities are moving towards requiring that inmate calling systems employ voice recognition technology to identify individual inmates.

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records. Calls to the same location from multiple inmates may be an indication of criminal activity, for example, a drug ring. These numbers are reported to the proper authorities. Finally, the called number may be checked against the ICSP's billing database to check for an unusually high balance owed by the called party. This both helps to minimize the ICSP's exposure to bad debt and protects the called party from burdensome bills.

After all the internal database checks are completed, the called number is sent to the Line Information Data Base ("LIDB")<sup>16</sup> to determine if the number to be called has screening to block calls from being billed to it (e.g., payphones, hospitals or numbers blocked by the customer from receiving collect calls). This is necessary because if the call is completed to a number with billed number screening in many instances it is unbillable.

Only after the call has passed each of these screens is the call placed. During the call, the call controls continue. For example, the call is monitored to limit the duration of the call. When the time limit nears, the call processor warns of the time left; upon expiration of the time, the call is disconnected. The call is also monitored to detect and prevent three-way calling or call transfer to a third number once the called party

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<sup>16</sup> LIDB is a series of interconnected databases maintained by the LECs to enable them to share validation and screening data with each other and other providers. Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards, Report and Order and Request for Supplemental Comment, 7 FCC Rcd 3528, 3533, ¶ 27 (1992). LIDB data must be provided on a non-discriminatory basis. *Id.*, ¶ 30. Requesting carriers are charged a fee on a per call basis. *Id.*

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accepts a collect call from an inmate. Again, this serves both to prevent the inmate from gaining open access to the public network and to limit fraud. Some inmate calling systems also use voice overlays to randomly announce during the course of the call that the call is from a confinement facility. This serves to prevent inmates from defrauding called parties who are unaware that the call they have received is from an inmate in a confinement facility.

In addition to the call controls discussed above, confinement facilities also typically require listening and/or recording capability. This capability is a valuable aid in detecting and preventing criminal activity. For example, the Arizona Department of Corrections reported that the monitoring of inmate calls enabled them to prevent a murder an inmate was plotting with an accomplice.<sup>17</sup>

Finally, inmate calling systems must also generally be able to provide customized call detail reports. These reports typically include the date and time of the call, the identity of the calling inmate, call duration, and the called number. Particularly where they are provided on a real time basis, the call detail reports assist in the detection and prevention of criminal activity and fraudulent calling. The call reports also provide the confinement facility with a record of each inmate's calling activity. This has proved to be a critical aid in apprehending escapees.

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<sup>17</sup> See Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Dkt. No. 91-35, Comments of Arizona Department of Corrections (April 1, 1991).

## **2. Bad Debt**

Despite the best efforts of ICSPs, the levels of fraudulent or otherwise uncollectible calls run much higher than in the general payphone industry. According to data supplied by two major billing clearinghouses serving the inmate calling services industry, ICSP bad debt can be 30% or higher. On average, bad debt runs at roughly 15-20%.<sup>18</sup> Even those ICSPs that have been the most aggressive in implementing measures designed to reduce fraud have been unable to reduce their bad debt below 8-15% in most instances.<sup>19</sup> This is still several times higher than the level of bad debt experienced by non-inmate operator service providers billing through the clearinghouses.

## **3. Personnel**

In addition to requiring specialized equipment and the high levels of bad debt, operating in the inmate environment is also extremely expensive because of the labor-intensive nature of the industry. Many independent ICSPs maintain a service and support staff on-site in the confinement facility to address inmate inquiries and to ensure that the inmate calling systems are in working order. The on-site staff also often assists the facility by administering the PIN system on its behalf. ICSPs also must maintain

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<sup>18</sup> See letter from L. Basinger, Director of Sales, Zero Plus Dialing, Inc., to P. Braxton, Paytel Communications, Inc., dated July 6, 1994 (attached as Exhibit 1); letter from R. Evans, General Manager, OAN Services, Inc., to V. Townsend, APCC Inmate Services Committee, dated October 5, 1995 (attached as Exhibit 2).

<sup>19</sup> See, e.g., letter from A. Schumacher, Billing/Fraud Control Manager, Consolidated Communications, to V. Townsend, N.C. Payphone Association, dated February 16, 1995 (attached as Exhibit 3).

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fully-staffed operations centers off-premises to respond to facility request and inmate and family concerns.

In addition to these customer support functions, ICSP personnel must also address the high rates of fraudulent calling from confinement facilities. Each day, the detailed call reports generated by the inmate calling system must be analyzed to detect possible fraud. While ICSPs have developed sophisticated software to perform the raw data analysis, trained staff must then review the output. Where calling patterns indicate possible fraud, the ICSP's personnel must immediately investigate and, if necessary, take corrective action. One ICSP conducts roughly 50 fraud investigations daily on a base of 400 phones serving 6,000 inmates. This investigation can include securing billing name and address information, contacting the called party at questionable numbers, and conducting credit checks. If the ICSP is unable to confirm the billing information, the number is immediately blocked. If three-way calling or fraudulent activity is suspected, this information is shared with facility administration. The ICSP also coordinates its investigation and shares information with the appropriate LEC and interexchange carrier counterparts ("IXC") in order to reduce subscription fraud.

**C. A \$.90 Inmate System Compensation Charge  
Will Allow ICSPs to Recover Their Unique  
Costs and Will Provide Fair Compensation**

ICSPs must be fairly compensated and there must be full recovery of the unique costs they face. Since those costs are associated with all calls from confinement

## **ATTACHMENT 3**

**BELLSOUTH PROPOSAL TO ICS PROVIDER OFFERING 45% COMMISSION**

RFA

**BELLSOUTH**

*Keeping You Ahead of the Game*

October 18, 1996

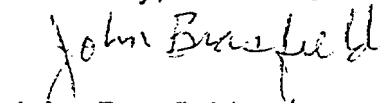
Vince Townsend  
President  
Pay Tel Comm.  
9A Oak Branch Dr.  
Greensboro, NC 27419

Dear Vince,

The enclosed Traffic Aggregator Premium Plan contract is a new offering for inmate traffic only. Unlike the existing plan, this plan pays 45% premiums and has no minimum usage thresholds. I think it is a very good plan and that you will be pleased with the terms and conditions.

I will call you on Monday, October 21st to discuss this offering and another plan that is in the introductory phase.

Sincerely,



John Brasfield  
Account Executive  
BellSouth



Atlanta 1996

Official Sponsor of the  
Atlanta Olympic Games

## INMATE FACILITY TRAFFIC AGGREGATOR PREMIUM PLAN AGREEMENT

This Agreement is made by and between BellSouth Telecommunications, Inc., a Georgia corporation, (hereinafter "BellSouth"), and \_\_\_\_\_ a \_\_\_\_\_ corporation, (hereinafter "Traffic Aggregator"). This agreement includes the following terms and conditions and appendices A & B and affixed hereto and the appropriate and approved tariffs of BellSouth, where tariffs are required, each of which is by this reference fully incorporated herein.

### 1. Term of Agreement

This Agreement shall commence on \_\_\_\_\_ and shall continue until \_\_\_\_\_.

Following the duration of the original term, this Agreement shall be extended for successive one (1) year terms unless sixty (60) days written notice of intent to terminate the Agreement is provided by either party. Such notice shall be sent to the appropriate address in the "Notices" section.

This Agreement may be subject to approval by the appropriate regulatory agency prior to this Agreement becoming effective. If regulatory approval is required and such regulatory approval is denied, this agreement shall be null, void and of no effect. The determination of whether approval by a regulatory agency is required shall be the sole responsibility of BellSouth.

### 2. Special Termination

This Agreement is intended to be in full force and in effect for a period consistent with the provisions of Section 1. Notwithstanding the foregoing, if any state or regulatory body imposes a requirement that the billed party for any qualifying call, as defined herein, is responsible for selection of the operator service provider, this Agreement shall be null and void.

### 3. Qualifying Calls

The term "qualifying calls" is defined herein as 0+ Local and IntraLATA operator assisted calls, other than sent paid calls, placed during the contract period and originating from a telephone access line associated with the Traffic Aggregator's inmate facility terminating in BellSouth's Enhanced Automated Alternate Billing System (EAABS) in the same LATA as that of said telephone access line within that same state, carried and completed by BellSouth over BellSouth facilities, and billed by BellSouth.

The information in this Agreement is not for use or disclosure outside BellSouth except under written agreement



In Louisiana, qualifying calls shall also include Expanded Local Calls.

The Traffic Aggregator shall be required to direct all 0+ Local and IntraLATA Toll calls, and, if applicable, in Louisiana all 0+ expanded Local Calling Area calls also, exclusively to BellSouth.

Notwithstanding the foregoing, qualifying calls do not include any call which is included in or considered part of any BellSouth discount calling plan.

4. Payment

The term "Payment" is defined herein as a premium applicable to qualifying calls as defined in Section 3 above.

5. Terms of Payment

BellSouth will pay Traffic Aggregator a premium payment of 45%, based on revenues generated. Premiums will be paid to the Traffic Aggregator within sixty (60) days of the end of the applicable calendar month or time provided in any approved tariff, and such Premiums shall be based on the amount of qualifying calls billed for the applicable calendar month's usage as calculated by

Such payment of Premiums will be sent to the address set forth in the "Notices" section.

Traffic Aggregator agrees that all payments of such Premiums are subject to immediate change or immediate discontinuance as required by law, any Public Service Commission or other regulatory or judicial body with authority to mandate such changes, and that at no time shall any payment of Premiums differ from that allowed by any law, any regulation or tariff approved by any Public Service Commission within any state in which the Traffic Aggregator operates, or such other body whether such regulation or tariff is currently in existence or is hereinafter made known.

6. Risk of Loss

In the event BellSouth's billing records used to determine any month's Premiums are incomplete, destroyed or lost, BellSouth shall pay the Traffic Aggregator a prorated amount based upon the average revenue generated during the three (3) most recent preceding months for which complete records are available. If three (3) preceding months are not available, the next three (3) succeeding months shall be used.

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The information in this Agreement is not for use or disclosure outside BellSouth except under written agreement

7. Default

In the event either party shall be in breach or default of any terms, conditions, or covenants of this Agreement and such breach or default shall continue for a period of sixty (60) days after the giving of written notice hereof to either party or the other, then in addition to all other rights and remedies of law or equity or otherwise, the offended party shall have the right to cancel this Agreement without charge or liability.

Notwithstanding the above, this Agreement represents a commitment of Traffic Aggregator to direct all 0+ Local and IntraLATA Toll calls to BellSouth during the entire term of this agreement. Notwithstanding anything to the contrary in this Agreement, failure of Traffic Aggregator to properly direct its 0+ Local and IntraLATA calls as provided in this Agreement each month for the entire term of this Agreement, will cause BellSouth to incur losses and damages that will be difficult or impossible to measure or otherwise ascertain.

In addition to any other rights and remedies available to BellSouth for Traffic Aggregator violating the call direction and term commitments of this Agreement, Traffic Aggregator shall pay BellSouth as liquidated damages and not as a penalty, an amount equal to the BellSouth revenue from Operator Surcharges and Interrelate Toll, Local (if applicable), and Expanded Local (if applicable) charges lost during any such periods. For purposes of this section, the amount of lost revenues shall be determined based on sixty-five percent (65%) of the average monthly revenue generated from qualifying calls since the inception of this Agreement or the last twelve (12) months, whichever is greater, multiplied by the number of months during which calls were misdirected in contravention of this Agreement. The parties, hereby agree that such liquidated damages are a reasonable pre-estimate of BellSouth's probable loss in the event of the above-described default.

8. Taxes

Any taxes on any sums paid pursuant to this agreement shall be the responsibility of the Traffic Aggregator.

9. Assignment

BellSouth shall have the right to assign this Agreement and to assign its rights and delegate its duties under this Agreement, either in whole or in part, at any time without Traffic Aggregator's consent to any present or future affiliated company or successor company of BellSouth.

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The information in this Agreement is not for use or disclosure outside BellSouth, except under written agreement

Traffic Aggregator shall not assign, in whole or in part, any of its right, interest or obligation hereunder without first obtaining BellSouth's prior written consent, which shall not be unreasonably withheld.

10. Liability.

- a. Traffic Aggregator acknowledges that it is an independent contractor and that this Agreement shall not be construed as a contract of agency or employment between BellSouth and the Traffic Aggregator. Traffic Aggregator shall be solely responsible and liable for compliance with laws, rules and regulations and payment of all wages, unemployment, social security and other payroll taxes relating to their respective employees including contribution from such persons, when required by law.
- b. BellSouth shall not be held liable for interruption of telephone service from any cause.
- c. BellSouth shall not be held liable by Traffic Aggregator if this agreement is deemed improper under any law, rule or regulation.

11. Indemnification

Traffic Aggregator hereby agrees to release and indemnify BellSouth from any loss, cost, damage, expense, liability or investigative expenditure arising in connection with the performance of this Agreement and caused, in whole or in part, by the acts or omissions, negligent or otherwise, of Traffic Aggregator, or otherwise by the existence of this agreement. BellSouth may at its option assume and undertake, or join the handling or defense of, any such claim, lien, or suit, and in that event the Traffic Aggregator will reimburse BellSouth for attorney's fees and other expenses incurred by it in handling or defending any such claim, lien, or suit including any amounts paid by BellSouth in settlement thereof or in satisfaction of any judgment rendered in any such suit.

12. Non-Discrimination Compliance and Conflict of Interest Statement

Traffic Aggregator agrees to comply with the applicable provision of the Non-Discrimination Compliance Agreement and Conflict of Interest Statement set forth in Appendix B to this Agreement.

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The information in this Agreement is not for use or disclosure outside BellSouth except under written agreement

13. Non-Disclosure

The terms and conditions of this Agreement shall be held in trust and in strict confidence by Traffic Aggregator. Traffic Aggregator shall not disclose to any party outside this Agreement any of the terms and conditions and may only disclose said information to employees or agents of Traffic Aggregator who have a specific need-to-know.

14. Choice of Law

The construction, interpretation and performance of this Agreement and all transactions under it shall be governed by the domestic law of the State of Georgia.

15. Notices

To BellSouth:

To Traffic Aggregator:

16. Severability

In the event that one or more of the provisions contained in this Agreement or incorporated within by reference shall be invalid, illegal, or unenforceable in any respect under any applicable statute, regulatory requirement or rule of law, then such provisions shall be considered inoperative to the extent of such invalidity, illegality or enforceability and the remainder of this Agreement shall continue in full force and effect.

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The information in this Agreement is not for use or disclosure outside BellSouth except under written agreement

17. Entire Agreement

This Agreement, together with Appendices A and B constitutes the entire Agreement between Traffic Aggregator and BellSouth, supersedes any prior agreements between the parties, and may not be modified or amended other than by a written instrument executed by both parties.

**IN WITNESS WHEREOF, the foregoing Agreement has been executed by the parties hereto by their authorized representatives:**

BellSouth Telecommunications,  
Inc., A Georgia Corporation,

Traffic Aggregator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (printed or typed)

\_\_\_\_\_  
Name (printed or typed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
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**APPENDIX A - INMATE FACILITY TRAFFIC AGGREGATOR PREMIUM PLAN  
AGREEMENT**

**Non-Discrimination Compliance Agreement**

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**APPENDIX A (continued)**  
**TRAFFIC AGGREGATOR PREMIUM PLAN AGREEMENT**  
**Conflict of Interest Statement**

BellSouth does business with thousands of contractors and suppliers. It is a fundamental policy of BellSouth that such dealings shall be conducted on a fair and impartial basis, free from improper influences, so that all participating contractors and suppliers may be considered on the basis of the quality and cost of their product or service.

We are also committed to doing business with contractors and suppliers in an atmosphere that is in keeping with the highest standards of business ethics. Although we recognize that the exchange of gifts and entertainment is customary in some businesses, we believe this practice often raises embarrassing questions about the motives of both the giver and receiver. Therefore, this company has for some time followed a policy that its employees shall not accept from customers, suppliers of property, goods, or services, or from any other persons, any gifts, benefits, or unusual hospitality that may in any way tend to influence them, or have the appearance of influencing them, in the performance of their jobs.

Employees of BellSouth who are authorized to make purchases or negotiate contracts are aware of this policy.

We believe that firm adherence to this policy will help establish better business relationships between BellSouth and its contractors and suppliers. We solicit your cooperation in achieving that objective.

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**APPENDIX B**  
**INMATE FACILITY TRAFFIC AGGREGATOR PREMIUM PLAN AGREEMENT**  
**Traffic Aggregator Premium Plan (TAPP) Requirements**

Traffic Aggregator is responsible for providing BellSouth with all its Qualifying Telephone Numbers/Lines to be initially included in the Premium Plan. BellSouth shall begin data capturing for all Telephone Numbers/Lines initially included in the plan within 30 days from provision of such information.

Thereafter, when Traffic Aggregator subscribes to new lines billed in the name of Traffic Aggregator or deletes any lines originally included in this Agreement, Traffic Aggregator shall notify BellSouth in writing of such additions or deletions, pursuant to Section 16, Notices, or as may be agreed to between the parties. BellSouth will begin data capturing for each new line added to the plan by Traffic Aggregator no later than thirty (30) days from receipt of notice.

This Agreement will become effective for each line added for which notice is given and will terminate for each line added to the plan by Traffic Aggregator no later than thirty (30) days from receipt of notice.

Failure by Traffic Aggregator to properly notify BellSouth of any additions or deletions of qualified lines shall be grounds for termination of the Agreement.

Traffic Aggregator expressly agrees to the following:

1. To direct all 0+ Local and IntraLATA Toll calls, and, if applicable Louisiana 0+ expanded Local Calling Area calls, exclusively to BellSouth via BellSouth EAABS.
2. To recognize that the failure by Traffic Aggregator to properly direct its 0+ Local and IntraLATA calls as provided in this Agreement each month for the entire term of this Agreement, will cause BellSouth to incur losses and damages that will be difficult or impossible to measure or otherwise ascertain.

In addition to any other rights and remedies available to BellSouth for Traffic Aggregator violating the call direction and term commitments of this Agreement, Traffic Aggregator shall pay BellSouth as liquidated damages and not as a penalty an amount equal to the BellSouth revenue from operator surcharges and IntraLATA Toll charges lost during any such periods. For purposes of this section, the amount of lost revenues shall be determined based on sixty-five percent (65%) of average monthly revenue generated

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from qualifying calls since the inception of this Agreement or the last twelve (12) months, whichever is greater, multiplied by the number of months during which calls were misdirected in contravention of this Agreement. The parties hereby agree that such liquidated damages are a reasonable pre-estimate of BellSouth's probable loss in the event of the above-described default.

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